

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, FEBRUARY 13, 2012**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Lyle Ten Haken, Mike Kuhle, Scott Nelson, Ron Wood, Mike Woll. Absent: Honorary Council Member Keith Wilson (excused).

Staff present: Craig Clark, City Administrator; Jim Laffrenzen, Public Works Superintendent; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk.

Others present: Ken Moser, Andy Johnson, Bill Wetering; Dan Greve; Ana Anthony, Daily Globe; Jim Parras and Gene Schleusner, Consolidated Construction Company; Dave Clark, WCL Associates; Don Klien, Lexington Hospitality Group; Chad Nixon (7:11 p.m.); Darlene Macklin (7:15 p.m.).

**AGENDA APPROVED WITH ADDITION**

Mayor Oberloh noted an addendum to the agenda of two sets of minutes as follows:

- WREDC Board of Directors Minutes of January 19, 2012
- Worthington Area Convention & Visitors Bureau Minutes of December 6, 2011

The motion was made by Alderman Nelson, seconded by Alderman Wood and unanimously carried to approve the agenda with the additions.

**CONSENT AGENDA APPROVED**

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve the consent agenda as follows:

- City Council Minutes of Regular Meeting January 23, 2012 and Special City Council / Housing and Redevelopment Authority Board Joint Meeting January 30, 2012
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting February 6, 2012; Park and Recreation Advisory Board Minutes of February 7, 2012; Traffic and Safety Committee Minutes of January 25, 2012; Worthington Housing and Redevelopment Authority Board Commissioner Minutes of February 2, 2012, January 12, and December 8, 2011; WREDC Board of Directors Minutes of January 19, 2012; Worthington Area Convention and Visitors Bureau Minutes of December 6, 2011
- City participation for the 2012 Bioscience Conference in the amount of \$1,500 for advertising.
- Placement of stop sign at the intersection of Woodland Court and Knollwood Drive
- Placement of stop sign at the intersection of South Douglas Avenue and Nobles Street
- Bills payable and totaling \$1,386,230.14 be ordered paid

**REQUEST FOR PROPOSAL (RFP) APPROVED FOR DEVELOPMENT OF NEEDS**

**ASSESSMENT AND MASTER PLAN FOR PUBLIC ATHLETIC RECREATION FACILITIES**

Craig Clark, City Administrator, reported that the Sports Authority working group met on January 6<sup>th</sup> and discussed moving forward with a needs assessment and master plan for a public athletic recreation facility in the city. Members of the Sports Authority include Minnesota West, ISD 518, the Chamber's Convention and Visitors Bureau and the City of Worthington. Consensus was to hire a consultant, which Council approved at the January 23, 2012 meeting, which led to the development of a request for proposal (RFP) for the consultant. Proposals would be taken until March 9<sup>th</sup>. Mr. Clark said they were seeking Council approval of the RFP. Alderman Ten Haken questioned why the City got put in the lead on this when we had so many projects going on. Craig Clark, City Administrator, said for ease of moving things forward and because of all the things on the School District's plate, it was felt that the City could carry the ball at this point. The School District recognized they would be in the driver's seat for Phase II - Aldermen Wood and Kuhle suggested the City take the lead at this point.

Following discussion, the motion was made by Alderman Woll and seconded by Alderman Kuhle to approve the RFP for professional services. The following Aldermen voted in favor of the motion: Kuhle, Nelson Wood, Woll; with the following Aldermen voting against the same: Ten Haken.

**BOARD OF REVIEW**

Notice had been received from the Nobles County Assessor that the Board of Review for the City of Worthington had been tentatively scheduled for 9:00 a.m. on Monday, April 30<sup>th</sup> in the Nobles County Board room unless Council had a conflict.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to set the time and date for the Board of Review as 9:00 a.m. on Monday, April 30, 2012.

**AGREEMENT BETWEEN CITY OF WORTHINGTON AND YMCA FOR MANAGEMENT OF 2012 SUMMER YOUTH RECREATION PROGRAMS APPROVED**

Staff presented a proposed agreement between the City of Worthington and the YMCA for management and operation of the City's 2012 summer youth recreations programs. The proposed agreement included the following changes from the previous year's agreement:

- The "Y" will be responsible for 100% of the expenditures associated with the programs
- The "Y" will receive 100% of the revenue received from the programs
- After meeting with representatives of the adult softball program, it was agreed to not offer the program in 2012
- The management fee for 2012 will be \$42,415 paid in eleven equal payments which was

allocated for 2012

- The “Y” is requested to develop, promote and operate additional programs such as a 3 on 3 basketball league and/or a youth soccer program which has not been a part of previous agreements. The City agrees to share in the expense of actual documented cost for any new program on a 50/50 cost basis. The actual cost to be the difference between the actual documented expenditure less revenue collected

The agreement is projected to save the City \$13,847.00 for 2012.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to approve the agreement with the YMCA to operate and manage the City’s 2012 summer youth recreation programs.

**AGRICULTURAL LEASE BETWEEN THE CITY OF WORTHINGTON AND DAREN BAUMAN APPROVED FOR 2012 CROP SEASON**

Council considered a proposed agricultural lease between the City of Worthington and Daren Bauman for an approximate 21.90 acre parcel of property owned by the City, with the lease set to expire in February, 2013. The lease rate agreed to is \$3,942 or \$180.00 per acre, which staff believes is fair for a one year period. The property is not accessible due to a lease the City has for a 4.3 acre parcel located between the subject property and the secured fenced in area of the airport, which is also set to expire in February of 2013. Jim Laffrenzen, Public Works Superintendent, noted that setting the leases to expire at the same time will then permit staff an opportunity to look at both parcels going forward.

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to approve the agriculture lease agreement between the City of Worthington and Darin Bauman for the 2012 crop season.

**REQUEST FOR TEXT AMENDMENT TO TITLE XV, SECTION 155 OF THE CITY CODE “B-3” - GENERAL BUSINESS ZONING DISTRICTS TABLED WITH WAIVER OF TIME REQUIREMENT ESTABLISHED BY HEARING**

Council considered a text amendment to Section 155 of the Worthington City Code requested by B & J Oil Company, that would allow petroleum bulk stations as a permitted or conditional land use in the “B-3” - General Business zoning districts. Approval of the amendment would eliminate the applicant’s legally non-conforming status and allow him to pursue expansion of his business at the current location. The Planning Commission held a hearing on the proposed text amendment on January 3, 2012 and discussed the issue further at their February 7, 2012 meeting. They determined the application conflicted with the City’s Comprehensive Plan and that petroleum bulk stations did not fit the purpose and intent of the “B-3” zoning district, and voted unanimously to recommend

denial of the proposed amendment.

Mayor Oberloh said he was uncomfortable having this conversation while the City is in the process of eminent domain proceedings. Brad Chapulis, Director of Community/Economic Development, replied the text amendment request is a separate issue and it is important to preserve the due process for both matters. Furthermore, the City is obligated to comply with the 60 day rule outlined in State Statute, which obligates the City to take action on the text amendment.

Mr. Bill Collin, property owner, and his attorney Bill Wetering, were present at the meeting. Mr. Wetering stated that Mr. Collin was not looking to expand his business but was only trying to accommodate state mandates for separation of product. Council expressed concern that a text amendment would affect the entire city and not just the property in question. Mr. Collin replied that he requested the text amendment as that was a suggestion from City staff. Following further discussion, Bill Wetering suggested that there are other avenues to be explored and they could waive the requirements for a decision by Council to allow for exploration of those avenues.

The motion was made by Alderman Wood, seconded by Alderman Nelson and unanimously carried to table this item for two meetings with the waiver of the time line required by state statute.

### **PRELIMINARY PLAT PRAIRIE HOLDINGS SUBDIVISION APPROVED**

Prairie Ventures, L.L.C., of Worthington, Minnesota was seeking preliminary plat approval of Prairie Holdings Subdivision, which is a replat of the most westerly portion of Block 1, Prairie Expo First Addition. The proposed subdivision is approximately 10.3 acres and would consist of two lots. The property is legally described as:

Lot 1, Block 1, Prairie Expo First Addition, in the City of Worthington, Nobles County, Minnesota, except the 1231.70 feet thereof, containing 10.33 acres and subject to a 10 foot open space easement across the north 10 feet, a 30 foot utility easement across the southerly 30 feet, as per document numbers 210567 and 210568, a 10 foot wide utility easement across the west 10 feet, a 30 foot wide easement north south sanitary sewer easement as per document number 157509 as shown, and other easements of record, if any.

The Planning Commission considered the preliminary plat at its February 7, 2012 meeting, and after holding a public hearing, voted unanimously to recommend approval of the subdivision to City Council with the following conditions:

1. The applicant submits a revised preliminary plat that complies with Title XV, Section 154.12 of the City Code (signature block missing) and shows a public easement as follows:

1. A 10 foot utility easement along the east property line of Lot 1.

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to approve the Preliminary Plat - Prairie Holdings Subdivision contingent on the submittal of a revised plat that includes the omitted information.

**SMALL CITIES DEVELOPMENT PROGRAM POLICY AMENDMENT APPROVED**

Staff presented a proposed amendment to the Small Cities Development program (SCDP) policy adopted for the 2008 SCDP grant the City received and is currently administering. The amendment establishes procedural guidelines for structures located within the flood plain. The policy did not include flood plain provisions as the original target areas was not located within a flood plain. Both staff and the Southwest Minnesota Housing Partnership were proposing the amendment to the policy in keeping with state and federal policy for flood plain properties.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve the amendment to the Small Cities Development Program Policy.

**PROFESSIONAL SERVICES CONTRACTS FOR ARCHITECTURAL AND CONSTRUCTION MANAGEMENT APPROVED FOR EVENT CENTER PROJECT**

Lexington Hospitality Development Group, the hotel developer working in conjunction with the City's event center project, has contracted with WCL Associates and Consolidated Construction for Architectural and Construction Management services for the hotel project. To keep the two projects moving ahead simultaneously, staff has previously advised Council of the potential benefits of contracting the same professional services as the hotel developer. As such, staff worked with both firms to establish the scope of work and negotiate the financial terms for a proposal from each for the event center.

WCL Associates proposal was for architectural services on the event center for a fixed price of \$96,800, approximately 3.2% assuming a \$3 million construction project. The contract includes 5 phases: schematic design; design development, construction documentation, bidding, and construction. It does not include professional services for furnishings, kitchen design and audio/visual design as the full scope will not be known until the schematic design is completed.

Consolidated Construction Company is proposing to serve as the Construction Manager through the entire project, and would advise the City through the schematic design and design phases, prepare and adjust cost estimates and project time lines through the construction documentation phase, and administer/manage all construction activities. The proposal includes a 6% fee for services which would become fixed upon the completion of the schematic design phase. Based on an estimated \$3 million project, the contract value would be approximately \$180,000.

The contracts have been reviewed by our insurance provider and periodically by our attorney

throughout the process, but final review by the attorney has not yet been performed.

Dave Clark, WCL Associates, and Jim Parras and Gene Schleusner, Consolidated Construction Company, Inc. were present at the meeting to discuss their proposals with Council. Mr. Parras noted they would represent the City on the project if Council wished, and suggested working with a committee. They will be seeking local contractor involvement in the project - plans will be available in both electronic and hard copy form.

The motion was made by Alderman Wood, seconded by Alderman Nelson and unanimously carried to approve the professional services contracts with WCL Associates and Consolidated Construction for architectural and Construction Management services for the proposed event center project, contingent upon final review by the City Attorney.

### **COUNCIL COMMITTEE REPORTS**

Mayor Oberloh - Testified at length in St. Paul at a hearing for the House with Rep. Linda Runbeck regarding Rep. Davids' property tax bill - he thinks they got the message across to her. Reported that Lewis and Clark had announced the project would be receiving a \$5 million appropriation, which would install about 2 ½ to 3 miles of pipeline, but at that rate the project would never get completed. He is in the process of writing a letter to the Bureau of Reclamation and the three representatives involved, and invited Council members to jump on board.

Alderman Ten Haken - Will attended an Area Transportation Partnership on Wednesday this week, there's about \$26 - \$27 million in funds that get passed down through MnDOT to the District 7 ATP, which goes through an allocation process to divvy them up. There were no projects presented from Worthington and he would like to see the Administrator direct staff to put projects in front of this group for future funding.

Alderman Kuhle - Attend the CGMC Legislative Action Day in St. Paul - had good meetings with Magnus and Hamilton.

Alderman Nelson - Also attended the Legislative Action Day - felt we made progress.

Alderman Wood - The Water and Light Commission is working on finding alternate sources of water with the delay of Lewis and Clark. The HRA is progressing on the hiring of a new Executive Director. He also attended the Legislative Action Day - thinks its important that staff continue to pursue other grant avenues like the money we're receiving for the Highway 59 interchange.

Alderman Woll - nothing to report.

### **CITY ADMINISTRATOR'S REPORT**

Craig Clark, City Administrator, noted that the County is requesting to meet with a couple of City representatives regarding the County's efforts for a library. Aldermen Woll and Ten Haken will be meeting with them this Friday. Negotiations with the 49r's continues - scheduled for March 14<sup>th</sup> - LELS 4 Patrol Officers- mediation scheduled for March 1<sup>st</sup>, with a special joint meeting with the

Water and Light Commission meeting scheduled for 6 p.m. prior to the next Council meeting. The trip to St. Paul to talk with legislators overall went well - the current LGA formula has Worthington taking another loss next year.

**CLOSED SESSION - PERFORMANCE EVALUATION CITY ADMINISTRATOR -  
(CLOSED UNDER MINNESOTA STAT. § 13D.05, SUBD. 3(A))**

Mayor Oberloh stated Council would be going into closed session under MN Stat. § 13D.05, Subd. 3(a) for the performance evaluation of the City Administrator.

The motion was made by Alderman Nelson, seconded by Alderman Wood and unanimously carried to close the meeting at 9:03 p.m.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to re-open the meeting at 10:40 p.m.

**ADJOURNMENT**

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to adjourn the meeting at 10:41 p.m.

Janice Oberloh, MCMC  
City Clerk